

## PAY EQUITY YUKON STYLE

### A Discussion Paper On Equal Pay For Work Of Equal Value

Prepared For:  
Yukon Status of Women Council

Summer 1986  
Whitehorse, Yukon

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Yukon Status of  
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# Equal pay paper prepared

By ALISON REID

The Yukon Status of Women Council has been urging the implementation of the principle of "equal pay for work of equal value." This is because there has been a substantial gap between the average full-time wages of women and men for a long time now.

Judge Abella points out in her report of the Royal Commission on Equality in Employment that in 1911, the average wage of women was 53 per cent of that of men; by 1982, it had risen to between 55 and 64 per cent. Over seventy years, the wage gap between men and women's average earnings closed by two to 11 percentage points — hardly a significant step forward.

At one time, people thought that laws calling for equal pay for equal work would get rid of the gender-related wage gap. However, the reality of the labor market has been, and continues to be, that women and men very seldom do the same work. Women are concentrated in ghettos: the bottom end of the clerical, sales and service sectors with low pay, low value and little chance for advancement. That means women and men can rarely be compared under "equal pay for equal work."

This situation requires that we go one step further "back to basics."

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same criteria. In other words, we need to implement "equal pay for work of equal value."

A committee of the Council has prepared a paper called "Pay Equity Yukon Style". Summarized, the recommendation of this paper are:

- The principle of equal pay for work of equal value must immediately be set out in legislation.
- The appropriate legislation for the inclusion of equal pay for work of equal value is human rights legislation.
- The legislation must include legal protections, enforcement and remedies.
- Both the public and private sectors must be covered by the legislation.
- An integrated model for implementing equal pay for work of equal value should be used (that is, both pro-active and complaints based).
- No employee's wages should be reduced as a result of implementing equal pay for work of equal value.
- Immediate and ongoing consultation on when and how to implement equal pay for work of equal value should be undertaken.

• Critical research must be started immediately.

• Education of the public must be an ongoing part of the process before and after introduction of equal pay for work of equal value in the legislation.

• Job evaluations must be free from gender bias and use the criteria of skill, effort, responsibility and working conditions.

• The development and implementation of job evaluation systems must involve employers and workers, regardless of whether there is a union.

• Job evaluation systems must be approved by an established independent and impartial body.

• It should be the responsibility of the independent body to monitor, report on and educate about the human rights legislation.

If you would like a copy of the paper in its entirety, drop in or write to the Yukon Status of Women Council office at 302 Steele St., Whitehorse, Y1A 2C5, or call 667-4637.

OptiMSm is sponsored by the Yukon Status of Women Council. Comments on columns or suggestions for topics should be forwarded to the council (302 Steele St., 667-4637). The views expressed in this column are those of the author and not necessarily those of the council.





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## PAY EQUITY YUKON STYLE

### I INTRODUCTION

This is a discussion paper about pay equity, also known as equal pay for work of equal value, prepared by the Yukon Status of Women Council. It is being circulated within the Yukon community and will be used in policy discussions with the Yukon Government.

### II BACKGROUND

There has been a substantial gap between the average full-time wages of women and men for a long time now. Judge Abella points out in her report of the Royal Commission on Equality in Employment that in 1911, the average wage of women was 53% of that of men; by 1982, it had risen to between 55 and 64%. Over seventy years, the wage gap between men and women's average earnings closed by 2 to 11% - hardly a significant step forward.

At one time, people thought that laws calling for equal pay for equal work would get rid of the gender related wage gap. However, the reality of the labour market has been, and continues to be, that women and men very seldom do the same work. Women are concentrated in ghettos: the bottom end of the clerical, sales and service sectors with low pay, low value and little chance for advancement. That means women and men can rarely be compared under "equal pay for equal work".

This situation requires that we go one step further "back to basics". The work that men and women do must be valued according to the same criteria. In other words, we need to implement "equal pay for work of equal value".

Equal pay for work of equal value should be set out in a formal way in legislation because, over the years, gender-bias (ie. discrimination against someone because of their sex) has seeped into a lot of the nooks and crannies of the assumptions we make about the value of work. For example, at Carleton University it is assumed that a groundskeeper 2 is worth a starting wage of \$2.00/hour more than a clerk typist 3. The qualifications for the clerk typist job include completion of high school, secretarial courses and two years experience; the qualifications for the groundskeeper include completion of grade 10, experience in maintenance and possession of a Class D drivers license. Is it clear that the one is worth so much more than the other? If it was blatant and obvious it would be easier to identify and change.

Our goal is economic equality for women. Equal pay for work of equal value alone is not going to guarantee women this; we need things like affirmative action, training programs, changes in our education system, and high quality, accessible, affordable child care as well. Equal pay will give us the opportunity to cut ourselves free from the historical myths, traditions and experiences which have led to the undervaluing and under paying of the work women do. It also means that women will not necessarily have to avoid certain occupations in order to be fairly paid. And since pay rates affect the status of work, work done traditionally by women may be better respected by both men and women as a result of pay equity. Attitude changes are, after all, the key to improving the status of women. Increased respect for the work generally seen as "women's work" could also ease the way to ending the current ghettos in the workplace.



We want the Yukon human rights legislation to include "equal pay for work of equal value". It belongs there because it is an anti-discrimination provision that affects women's bank accounts. It is discriminatory to pay women less because of their sex rather than because of the value of their work. Canadian National Railways was recently found by the Canadian Human Rights Commission to have discriminated against their nurses and x-ray technicians who are mainly female. As a result the workers received pay increases of \$1,400.00 per year.

We need to have legal protection and remedies, and we need them now. Changes to human rights legislation have not come often in the Yukon--the Fair Practices Act, which would be replaced by new human rights legislation is twenty-three years old. We are not willing to put the issue aside.

The concept of equal pay for work of equal value is not new, or radical. It has been law in Quebec for 11 years; it has been federal law since 1977 when the Canadian Human Rights Act was passed unanimously by Conservatives, Liberals and New Democrats alike. Manitoba has also adopted it, as have foreign jurisdictions such as Australia and Minnesota. It is unfortunate that it is not well understood. Not surprisingly, interest in and attention to the concept have been sparked most effectively by proposing to put it into legislation.

Voluntary measures do not work. The gap between men's and women's wages has persisted for a long, long time, through good economic times and bad. As far as we are aware, the resistance vocalized by employers to the concept has not included any offers to deal with the problem voluntarily.

Private as well as public sector employers must be obliged to abide by equal pay for work of equal value provisions in the new Yukon Human Rights Act. A woman's right to a fair wage should not depend on whether she works in the public or private sector. When women receive less than a fair wage we, in effect, subsidize the economy; we don't believe that this should continue.

### III OTHER JURISDICTIONS

To address the question of how pay equity should be implemented, it is useful to look at other jurisdictions and compare their experiences. In particular, we can look to the recent examples of Manitoba which has implemented, and Ontario, which is in the process of implementing, pay equity legislation. We have also considered the provisions of the Canadian Human Rights Act. All use slightly different approaches in implementing pay equity.

In Manitoba, the legislation is "pro-active". Pro-active legislation requires employers, and where possible unions, to establish pay equity programs by applying non-sexist job evaluation systems to male and female occupations in order to compare their value and remedy undervalued jobs. Regardless of which job evaluation system an employer and, where they exist, unions elect to use; the main criteria for measuring value are skill, effort, responsibility and working conditions. The reach of the legislation extends to the public service, Crown corporations, four universities, some health care facilities and personal care homes. There are time limits set both for the completion of job evaluations and for payouts and remedies. The legislation is administered by a Pay Equity Bureau and a Pay Equity Commissioner. They monitor compliance, report annually to the Legislature and provide information to employers, unions and the public. Lastly, Manitoba has limited the costs of implementation for employers to 1% of their payroll annually for 4 years.



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The Canadian Human Rights Act contains federal pay equity provisions. It is complaints-based only - complaints must be filed by individuals or groups before pay equity can be enforced. The legislation applies to the public service and federally-regulated industries (such as banks and communication and transportation companies). It uses a point rating system to determine value; the major categories being skill, effort, responsibility, and working conditions. The legislation allows for ten "reasonable factors" justifying wage differences (such factors include length of service, labour shortage in isolated areas, and regional disparities).

The implementation of pay equity in Ontario, as it has been proposed, will operate in a slightly different manner. In Ontario, the legislation will adopt an integrated model, allowing for both a pro-active and complaints-based approach. It will only apply within the public sector. Unlike Manitoba, there are no time limits - that is to say, the Ontario government plans to continue pay equity implementation until it has been achieved. In Ontario, a separate Pay Equity Agency will be established which will be responsible for the administration and implementation of legislation. There will also be a payout ceiling of 1% of the employer's annual payroll.

#### IV IMPLEMENTATION IN THE YUKON

Pay equity legislation in the Yukon should be implemented in the following ways:

Pay equity should be included in the proposed Human Rights Act.

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Although an argument might be made that pay equity should be included as part of the Employment Standards Act, or in separate legislation, it should be addressed in the context of the general debate (public and legislative) about human rights. In part, this is because pay equity addresses, as human rights legislation in general must, the problem of systemic discrimination which is not consciously directed against a person or group, but which has over the years become part of the system. For instance, a minimum height requirement for fire fighters might disqualify women who are otherwise strong enough and experienced enough to do the job well. We are also anxious to avoid further delays in the implementation.

It is very important that pay equity apply to both the public and private sectors. The Yukon's economy is a small-business economy - exemptions will leave very few Yukon workers covered by the provisions. Most importantly, we believe it is incorrect to argue that voluntary measures will succeed in the private sector. The example of the Canadian Human Rights Act, which can only encourage compliance by employers outside of its jurisdiction, has shown us that voluntary measures are not taken when legislation is absent.

Yukon legislation should adopt an integrated model similar to that proposed in Ontario which will be both proactive and complaints-based. While it is necessary that the legislation be proactive in order to remedy systemic discrimination, it is also important that individuals and groups feel the legislation is accessible to them, and that the Human Rights Commission can, and will, respond to individual complaints.



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Job evaluation systems to be applied in the private and public sectors should be developed by employers, unions and workers. All job evaluation systems must meet two major requirements: that they are free from gender-bias, and that they utilize the categories of skill (eg. training, length of apprenticeship), effort (eg. mental concentration, physical activity), responsibility (eg. amount of supervision, discretion), and working conditions (eg. comfort) in order to determine value. Where there is an existing job evaluation system in place, it could be utilized or modified so long as the two major requirements are met. (See Appendix I for example of job evaluation).

We recognize that unorganized workers must have a role to play in the development and implementation of job evaluation systems. For example, in the area of safety legislation, some jurisdictions require mandatory committees be set up so that unorganized workers have input. This is of particular importance in the Yukon where so many working women are unorganized.

An independent body responsible for the implementation of pay equity can assist employers, unions and workers in designing an appropriate job evaluation system. The design and implementation of all job evaluation systems must be approved by this independent body.

The Canadian Human Rights Act permits employers to utilize a number of allowable exceptions to justify wage differentials. There are only a few allowable exceptions, such as seniority, which justify wage differences. A particular exception must be proven to warrant a wage differential. Allowable exceptions can not be used to circumvent the provisions of pay equity legislation. Should it be established that an employer has done so, penalties should be incurred.

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It is a fundamental principle that, as a result of the implementation of pay equity, no employee's wages will be reduced.

Discussions with the private sector will be more constructive when implementation of equal pay for work of equal value is an accepted fact; the questions to be decided are not "if", but "when" and "how". Such discussions will include phase-in periods, deadlines and annual payout ceilings (a percentage of the employers payroll). These are important issues which must be decided in consultation with business, labour and women's groups. During this consultation, when interests of the business community are in conflict with the interests of women who are being denied pay equity, women's interests must be paramount.

It is important for the public to be aware that an independent and impartial body is responsible for the implementation of pay equity. The functions of monitoring compliance, reporting to the Legislature, and providing information to employers, employees, unions and the public, are necessary to the administrative organization set up to deal with pay equity. If these functions are not carried out, the legislation will remain inactive and unused - much like the Fair Practices Act has been. Further, adequate resources (human, technical and financial) must be devoted to remedying the problem of pay equity.

## V CONSULTATION

No serious consultation has occurred to date and this has endangered public acceptance of pay equity. Further and extensive discussions with the government about pay equity are required. There is a wide range of women's organizations in the Yukon and it is important that we be involved in these discussions.



Because the business and labour communities will have special responsibilities as a result of the introduction of pay equity and affirmative action legislation, it is critical that discussion with, and education of, these groups be a priority of the government.

Consultation with the women's, business, and labour groups on the issues of pay equity and affirmative action should be happening now, while the proposed human rights legislation is being re-drafted.

Because the implementation of pay equity in the private sector will be a gradual process, it is essential that consultation with affected groups does not stop when new human rights legislation is introduced, but becomes an ongoing process.

## VI PUBLIC EDUCATION

Although the Canadian and Yukon public have become increasingly aware of women's issues and discrimination against women in the last twenty years, there have been few substantial gains or little redress for women, particularly in the economic sphere. Because of this slow and often unwilling change of attitude, women are now seeking legislative change to address discrimination against women.

Ongoing education of the public is an important means of improving social conditions. Through a process of education designed to increase the understanding of human rights issues, Yukoners will claim "ownership" of the changes in legislation, and public support for it will grow.

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While it reconsiders the Human Rights Act, the government still has the opportunity to increase awareness in the Yukon of the need for human rights legislation. We suggest that an energetic, aggressively-conducted education campaign be undertaken by the government, in consultation and cooperation with interested community groups.

Education should address the need for full human rights legislation in the Yukon, and should not avoid controversial areas of the bill: the Commission, the implementation of equal pay for work of equal value in the private sector, and the inclusion of sexual orientation as one of the prohibited grounds of discrimination.

## VII RESEARCH

In order for the government to make sound policy decisions, they need accurate and comprehensive information. To date, the government has not collected such information for pay equity. The government will not be able to properly implement pay equity unless it immediately carries out research in the following areas:

- a) where women are found in the Yukon labour force,
- b) detailed wage statistics by gender,
- c) job evaluation systems for small employers,
- d) costs of implementing pay equity in all sectors, and
- e) information on the implementation of pay equity in other jurisdictions, within and outside Canada.

The research should also examine the Job Evaluation System of the Yukon Government to ensure that it is addressing wage inequities based on sex discrimination.



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## VIII SUMMARY OF RECOMMENDATIONS

1. The principle of equal pay for work of equal value must immediately be set out in legislation.
2. The appropriate legislation for the inclusion of equal pay for work of equal value is human rights legislation.
3. The legislation must include legal protections, enforcement and remedies.
4. Both the public and private sectors must be covered by the legislation.
5. An integrated model for implementing equal pay for work of equal value should be used (that is both pro-active and complaints based).
6. No employee's wages should be reduced as a result of implementing equal pay for work of equal value.
7. Immediate and ongoing consultation on when and how to implement equal pay for work of equal value should be undertaken with business, labour and women's groups.
8. Critical research must be started immediately.
9. Education of the public must be an ongoing part of the process, before and after introduction of equal pay for work of equal value in the legislation.

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10. Job evaluations must be free from gender bias and use the criteria of skill, effort, responsibility and working conditions.
  11. The development and implementation of job evaluation systems must involve employers and workers, regardless of whether there is a union.
  12. Job evaluation systems must be approved by an established independent and impartial body.
  13. It should be the responsibility of the independent body to monitor, report on and educate about the human rights legislation.

#### IX POINTS FOR FURTHER CONSIDERATION

1. What phase-in period, deadlines and annual payout ceilings are reasonable?
  2. Should there be exemptions for small business?
  3. Is predominance the appropriate trigger. (In some jurisdictions, pay equity is implemented by comparing job categories where women predominate to those where men predominate.) If so, when do women predominate in a category: at 50%, 60% or 70%? Is predominance necessary?
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TABLE 1

## MAJOR COMPONENTS OF EQUAL PAY FOR WORK OF EQUAL VALUE

An Analysis of Equal Pay for Work of Equal Value - as Applied to Some New Brunswick Civil Service Jobs  
New Brunswick Advisory Council on the Status of Women; November 1983

Component	Major Factor	Maximum Points	Examples of Considerations
Skill:	Experience	300 points	<ul style="list-style-type: none"> <li>• Experience on a job (unskilled to skilled)</li> <li>• Supervisory experience</li> <li>• Teaching experience</li> <li>• No time on job to considerable supervisory experience (0) - (300)</li> </ul>
	Training education	500 points	<ul style="list-style-type: none"> <li>• High School (70)</li> <li>• Trade School 1 yr (100), 2 yrs (130)</li> <li>• Apprenticeship (30/yr)</li> <li>• University (4 years) 270 ie. 50/yr + high school</li> <li>• Other (20) (certification)</li> <li>• Grade 10 (50) (500) PLD</li> </ul>
	Natural ability	200 points	<ul style="list-style-type: none"> <li>• As demonstrated</li> <li>• Leadership</li> <li>• As per job requirements</li> </ul>
	Effort:		
	Physical	400 points	<ul style="list-style-type: none"> <li>• Light to medium to heavy manual tasks</li> <li>• Using light (200) to medium - to heavy (400) equipment</li> </ul>
	Mental	600 points	<ul style="list-style-type: none"> <li>• Field visits (200)</li> <li>• Sitting (50) to on feet all day (150)</li> <li>• Simple writing (50) and charting (250) to specialized problem solving and thinking, requiring innovation (350)</li> </ul>
Responsibility:	Duties of employee	500 points	<ul style="list-style-type: none"> <li>• Light (50), to supervised duties to independent operation, responsibilities for results, (300) with results of consequence for how many</li> </ul>
	Accountability of employee	500 points	<ul style="list-style-type: none"> <li>• For specialized skills such as using machines (100), doing finances (100), other resources (100), work of other employees and confidentiality (100)</li> </ul>
Working Conditions:	Noise, heat, cold, isolation, physical danger, conditions hazardous to health	200 points	<ul style="list-style-type: none"> <li>• Shall not be considered to include a requirement to work overtime or on shifts where a premium is paid to the employee for such.</li> </ul>
	Mental Stress		

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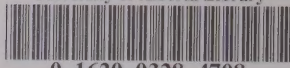
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